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Bobby Jindal, Governor
Suzy Sonnier, Secretary

October 30, 2013

The Honorable Senator David Vitter
Hart Senate Office Building
Suite SH-516
United States Senate
Washington, DC 20510

Dear Senator Vitter:

Thank you for your letter today sharing your concerns and recommendations in regard to the Electronic Benefits Transfer (EBT) system failure on Saturday, October 12. We would like to share with you how we have already addressed your concerns.

DCFS has no tolerance for fraud or abuse of the SNAP program and works aggressively every day, using the latest technology, to hold people accountable. No unauthorized taxpayer dollars were used in Louisiana during the multi-state Supplemental Nutrition Assistance Program (SNAP) EBT transaction outage.

The multi-state outage was the result of failures on the part of Xerox, the contractor that serves Louisiana's EBT system, along with more than a dozen other states. DCFS had emergency procedures in the contract with Xerox for events such as those that occurred on October 12. Those emergency procedures allow retailers to call Xerox and receive authorization for up to \$50 in purchases in the event that EBT transactions are unavailable. As stated in the contract, Xerox is responsible for guaranteeing that \$50 limit to retailers if approved. Numerous retailers across the state chose not to follow that emergency process and continued serving customers, saving transactions until connectivity was restored. The state publicly notified retailers on October 14 that they would be reimbursed only for transactions at or under the balance on the card. Transaction attempts over the available balance on the EBT cards were returned as non-sufficient funds and will not be reimbursed. According to the USDA's FNS guidelines, EBT cards cannot carry a negative balance.

In addition, on October 15, DCFS requested authorization from the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS), which administers the program, to sanction all individuals determined to have knowingly used a SNAP EBT card to attempt to purchase food over the amount of their approved benefit levels. Louisiana's current SNAP policy allows a one year sanction from the program for a first offense, a 24 month suspension for a second offense and a permanent disqualification for a third offense. On October 16, DCFS received the initial transaction report from the outage, providing additional details on October 17 to FNS. To date DCFS has not received approval from USDA to issue sanctions; however DCFS has been informed that a decision is anticipated from the USDA by tomorrow. It is certainly our hope that the USDA approves our request so we can move forward in holding these individuals accountable.

Finally, DCFS maintains its commitment made on October 14 to cooperate fully with local law enforcement in any effort to prosecute individuals at the request of the retailers. Since the cost of the unauthorized purchases is the responsibility of the retailers that authorized the transactions, the retailers themselves must choose to prosecute the individuals who knowingly used their SNAP EBT card during the outage. The state will support those retailers that choose to do so.

Sincerely,

Suzy Sonnier
Secretary

